

## Message Text

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ORIGIN OPIC-06

INFO OCT-01 NEA-09 ISO-00 EB-07 COME-00 AID-05 TRSE-00 L-02

FRB-03 XMB-02 CIAE-00 INR-07 NSAE-00 /042 R

DRAFTED BY OPIC/GC:LLUCERO

APPROVED BY IFD/OIA:RJSMITH

OPIC/GC:PGILBERT

EB/IFD/OIA:DSTEBBING

NEA/INS:RBMORLEY

----- 040446

R 061706Z MAY 75

FM SECSTATE WASHDC

TO AMEMBASSY NEW DELHI

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E.O. 11652: N/A

TAGS: EINV, IN XX

SUBJECT: OPIC CONTRACT OF GUARANTY NO. 1396 - MCNALLY  
PITTSBURGH MANUFACTURING CORP. (MCNALLY)

REF: STATE 86933

1. MCNALLY HAS INFORMED OPIC THAT IT IS TAKING STEPS TO  
CARRY OUT DILUTION OF EQUITY INCLUDING BUT NOT LIMITED TO  
THE FOLLOWING:

(A) PURSUANT TO CONSENT ORDER NO. R. 306 CCI/74-2455 DATED  
SEPT. 30, 1974 ISSUED BY THE GOI, MCNALLY HAS AUTHORIZED  
THE INDIAN SHAREHOLDERS IN MCNALLY BHARAT ("BHARAT") TO  
DEPOSIT MCNALLY'S SHARES IN BHARAT WITH NATIONAL &  
GRINDLAYS BANK, LTD. WITH INSTRUCTIONS TO THE BANK TO  
DIVIDE THE SHARES INTO 10 RUPEE SHARES INSTEAD OF 100  
RUPEE SHARES IN ORDER TO MAKE THE SHARES MORE ATTRACTIVE  
IN THE MARKET; AND  
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(B) BHARAT IS PRESENTLY IN THE PROCESS OF NEGOTIATING A  
PUBLIC OFFERING OF NEWLY ISSUED BHARAT SHARES WITH THE  
CALCUTTA'S STOCK EXCHANGE.

2. MCNALLY FURTHER INFORMED OPIC THAT THIS MATTER WAS DISCUSSED WITH A SENIOR BHARAT INDIAN OFFICIAL DURING HIS RECENT VISIT TO THE UNITED STATES AND THAT SAID OFFICIAL INDICATED THAT THE PUBLIC OFFERING SHOULD BE COMPLETED WITHIN 60 TO 90 DAYS.

--- 3. OPIC IS PRESENTLY PROCESSING MCNALLY'S INCONVERTIBILITY CLAIM AND EXPECTS TO MAKE PAYMENT TO MCNALLY SOON. OPIC WOULD APPRECIATE EMBASSY'S CONFIRMATION WITH REGARD TO PARAGRAPH 1 ABOVE AND PARAGRAPH 4 REFTEL. OPIC WOULD FURTHER APPRECIATE EMBASSY'S ADVICE AS TO WHETHER MCNALLY SHOULD REASONABLY TAKE ANY OTHER STEP TO ATTEMPT TO CAUSE TRANSFER TO BE MADE.

---4. OPIC WOULD APPRECIATE EMBASSY FURNISHING OPIC WITH INFORMATION RE PRACTICE OF GOI ON REMITTANCE OF DIVIDENDS ON FEBRUARY 15, 1964, THE DATE OF MCNALLY CONTRACT, UNDER LAWS, DECREES, REGULATIONS OR ADMINISTRATIVE DETERMINATIONS IN EFFECT ON FEBRUARY 15, 1964.

---5. EMBASSY'S COMMENTS AND SUGGESTIONS, IF ANY, AS PER PARAGRAPH 6 REFTEL, WOULD BE APPRECIATED. KISSINGER

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<< END OF DOCUMENT >>

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 26 AUG 1999  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** BUSINESS FIRMS, INVESTMENT GUARANTEES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 06 MAY 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** greeneet  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975STATE105224  
**Document Source:** ADS  
**Document Unique ID:** 00  
**Drafter:** OPIC/GC:LLUCERO  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** n/a  
**Film Number:** D750158-1093  
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**Office:** ORIGIN OPIC  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
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**Previous Channel Indicators:**  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
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**Review Authority:** greeneet  
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**Review Content Flags:**  
**Review Date:** 05 AUG 2003  
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**Secure:** OPEN  
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**TAGS:** EINV, IN, XX, OPIC  
**To:** NEW DELHI  
**Type:** TE  
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